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Revenue Protection Association

# Presentation Content

- Who are the UKRPA?
- Philosophy and Purpose
- Our Key Services
- UKRPA Strategy
- Approach to Investigations
- Importance of Public Engagement
- Industry Governance Arrangements and impacts of Smart Meters
- Key Challenges for the industry



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# Who are the UKRPA?

- United Kingdom Revenue Protection Association
- Established in 1998 for companies involved in detecting and dealing with meter tampering and illegal abstraction of electricity/gas.
- Also supports providers of products/services that support revenue protection activities



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# UKRPA Members

**centrica**

DATASERVE UK



**electricity**  
north west

**METERPLUS**

**NI** Northern Ireland  
Electricity

**WESTERN POWER  
DISTRIBUTION**

*Serving the Midlands, South West and Wales*



**npower**

**MANX ELECTRICITY AUTHORITY**  
Lucht-veill Lec'raaghys manningh

**LOWRI  
BECK**

**SECURE**



**PHOENIX**  
NATURAL GAS

**UK  
Power  
Networks**

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# Philosophy

- Energy theft is a serious matter
  - It is a crime and can be an enabler of crime
  - Presents significant safety risk
  - Revenue losses and as a result higher energy costs
  - Inefficiencies in energy use/production
  - Between £100-400 million stolen per year (based on industry estimates 2011)



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# Purpose

- To promote the detection and prevention of meter tampering and other forms of illegal abstraction of electricity and gas (reducing costs to the industry)
- Provides a forum to identify matters of common interest and represent such interests to regulatory, consultative and other relevant bodies
- Provides a forum for the exchange of information and discussion of industry matter



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# Our Key Services

- The UKRPA provides a range of services to its Members, industry stakeholders and the public, key services include:
  - Website for knowledge sharing and ability for the public to report suspected cases of energy fraud  
<http://www.ukrpa.co.uk/>
  - Facilitate the investigation of reported energy fraud cases
  - Helpdesk - support the public with energy theft
  - Regular forums/meetings
  - Bi-annual National Revenue Protection Conference



# Approach to Investigations – Leads?

- There are a range of different sources, whereby fraudulent activities are identified and investigated by the Revenue Protection Services around the UK:
  - Traditional form - staff
  - Data driven leads
  - Public reports / 'tip offs'





# UKRPA Strategy

- The UKRPA has several strategic themes:
  - To provide expert analysis and input to industry
  - Influence energy theft policy and practices to reduce theft
  - Regular communications with stakeholders (raise awareness)
  - Promote the aims and objectives of the UKRPA
  - To develop where possible, industry best practice

- <http://www.ukrpa.co.uk/news-events/25-ukrpa-prospectus>



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# Importance of Public Engagement

Year	Report Frauds – submitted via online form	Report Frauds – sent by post/email	Percentage of Reports via online form
2009	223	7	97%
2010	415	15	97%
2011	901	16	98%
<b>Total</b>	<b>1,539</b>	<b>38</b>	<b>98%</b>



- 117% increase in number of public submissions during 2011

# Who wins, who loses?

## Whilst theft undetected

- Supplier loses 'margin' on that supply contract
- Supplier and other Suppliers pay for units stolen according to customer base
- Distributor loses Use of System income

## When theft identified

- Supplier faces 'unexpected' unit, investigation and Use of System costs
- Other Suppliers recompensed for over payment
- Distributor receives 'unexpected' Use of System payment



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# Value of revenue protection?

- Valid commercial argument based on the costs for the supplier doing nothing to investigate electricity/energy theft – but other implications exist...
  - Increased losses damage the whole industry
  - Company and energy industry reputation
  - Safety of the public



# Industry Governance Arrangements

- Basic Principles:
  - Electricity Revenue Protection services provided as an agency service to most suppliers
  - Services Provided by either the 'host/traditional' distributor or supplier
  - Gas Revenue Protection will be driven by recent regulatory changes
  - Codes of Practice
  - Funded by Use of System and transactional charges
  - Obligations in Licences



# Impacts of Smart Metering – Key Considerations

- Large volume of leads likely to be generated – need to manage data volumes to avoid swamping communication and investigation resource
- Inclusion of interference alarms (tamper flags) within the smart meter design?
- Possible inability of interference alarms to identify meter bypass situations?
- High level risks of hacking, low level risks of deliberate triggering of alarms?
- Customer engagement





# Key Challenges for the Industry?

- Regulatory review and need for ongoing regulatory direction
- Delivery of the gas revenue protection industry reform
- Transferring lessons learnt from the gas review to the electricity industry
- Smart Meter roll-out
- New tampering/by-passing technologies
- Managing customer relations
- Continue to promote revenue protection activities



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Will I get caught?



# Thank you for listening

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